

**THE HUMAN CAPITAL ASSESSMENT AND
ACCOUNTABILITY FRAMEWORK (HCAAF)**

SYSTEMS, STANDARDS AND METRICS

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INTRODUCTION

The Human Capital Assessment and Accountability Framework (HCAAF) identifies five human capital systems that together provide a consistent, comprehensive representation of human capital management for the Federal Government. The HCAAF fuses human capital management to the merit system principles—a cornerstone of the American civil service—and other civil service laws, rules, and regulations. Establishment of the HCAAF and its related standards and metrics, provided in this document, fulfills OPM's mandate under the Chief Human Capital Officers Act of 2002 (CHCO Act), as codified at 5 U.S.C. 1103(c) and implemented under subpart B of 5 CFR part 250, to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies.

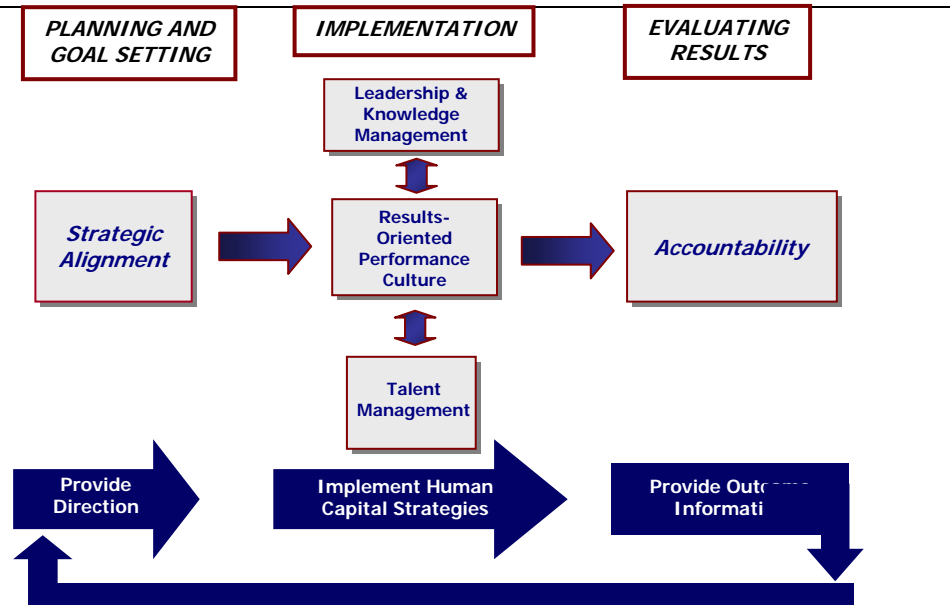
The regulation at 5 CFR 250.203 establishes requirements for an agency to maintain a current human capital plan and submit to OPM an annual human capital accountability report. The requirements in the regulation are by design congruent with the planning and reporting requirements contained in OMB Circular A-11 and title 31 U.S.C.

The HCAAF outlines an ongoing process of human capital management in every Federal agency – planning and goal-setting, implementation, and evaluating results – using five systems:

1. **Strategic Alignment** (Planning and Goal-Setting)
2. **Leadership and Knowledge Management** (Implementation)
3. **Results-Oriented Performance Culture** (Implementation)
4. **Talent Management** (Implementation)
5. **Accountability** (Evaluating Results)

A NOTE ABOUT **SYSTEMS**: This guide and related regulations at subpart B of 5 CFR part 250, as well as other material addressing effective human capital management, use the word *system* in several contexts. For example, a *human capital system* generally means the related set of policies and practices that an agency uses to accomplish some aspect of human capital management. In contrast, the particular standards and metrics for an area of human capital management described in this guide comprise the *assessment system* OPM has established for that area, as required by 5 U.S.C. 1103(c). Of course, the *merit system* connotes an overarching set of public service values and principles that guide all civil service matters.

RELATIONSHIP AMONG THE HCAAF SYSTEMS



This summary provides the following information for each of the systems listed above:

- Definition
- Standard
- Applicable Merit System Principles
- Required Outcome Metrics

This document provides the basic elements of the Human Capital Assessment and Accountability Framework (HCAAF) systems, standards and metrics (SSM) that OPM is required to establish under 5 U.S.C. 1103(c). This HCAAF-SSM is supplemented by the Web-based HCAAF Resource Center, where more detailed information and tools, including the HCAAF Practitioners Guide, are available to support a full range of HCAAF implementation efforts in agencies (see http://www.opm.gov/hcaaf_resource_center/index.asp).

Using the HCAAF will enable agencies to transform the Federal workplace into high-performing arenas where every employee understands and is able to maximize his or her contribution to agency mission. By applying the HCAAF, Federal agencies will be able to focus on:

- Human capital management systems and practices that most impact attainment of their mission.
- Measurable, observable agency and individual performance results.

This document explains the required metrics for each HCAAF system that agencies must report through their annual Accountability reports. The attached Appendix provides detailed instructions for calculating these metrics. The required metrics are:

Strategic Alignment:

- Documented evidence of a current agency human capital plan that includes human capital goals, objectives and strategies; a workforce plan; and performance measures and milestones.

Leadership and Knowledge Management:

- Competency Gaps Closed for Management and Leadership;
- Leadership and Knowledge Management Index;
- Merit-Based Execution of the Leadership and Knowledge Management system.

Results-Oriented Performance Culture:

- SES Performance/Organizational Performance Relationship
- Workforce Performance Appraisals Aligned to Mission, Goals and Outcomes
- Results-Oriented Performance Culture Index
- Merit-Based Execution of the Results-Oriented Performance Culture system

Talent Management:

- Competency Gaps Closed for Mission Critical Occupations
- Talent Management Index
- Job Satisfaction Index
- Merit-Based Execution of the Talent Management system

Accountability:

- Documented evidence of a Human Capital Accountability system that provides for annual assessment of agency human capital management progress and results including compliance with relevant laws, rules, and regulations.

OPM monitors these outcomes through agencies' annual Accountability reports, and provides guidance, tools and technical assistance to enable agencies to meet these HCAAF standards. This assistance includes guidance agencies may need and/or request in response to their specific scores on these required metrics, and on any additional metrics agencies choose to apply to their strategic management of human capital.

This will help to assure the American people's continuing trust in the Federal Government's ability to serve them through an effective civilian workforce.

METRICS

This document provides the metrics required under 5 U.S.C. 1103(c). The required metrics focus on human capital management outcomes from three perspectives: organization, employee, and merit system. (Refer to the Appendix for a further explanation of the required outcome metrics, including calculation methods.)

The metrics described in this guidance were carefully chosen to maintain their usefulness over time. In addition, many other human capital metrics exist that agencies may find they want to implement. Consequently, agencies are encouraged to augment these Governmentwide metrics with other activity and outcome metrics that are relevant to their human capital objectives.

The metrics in this document were developed through rigorous criteria (see Appendix). To be incorporated in the HCAAF a metric had to meet all of the following criteria:

- Align with the HCAAF
- Drive organizational effectiveness directly or indirectly
- Be applicable Governmentwide
- Be actionable (under the control of the agency)
- Be practical (cost effective and acceptable)
- Be reliable (stable)
- Be valid (accurate and appropriate for its purpose)

The human capital systems comprise the Human Capital Assessment and Accountability Framework (HCAAF), and the standards and metrics established here, reflect the results of effective human capital management. They address three distinct perspectives on human capital results: organization results, employee perspective, and compliance with merit system principles.

THE STRATEGIC ALIGNMENT SYSTEM

Strategic Alignment is the HCAAF's planning and goal setting system focused on having a human capital management strategy that is aligned with mission, goals, and organizational objectives.

Definition

A system led by senior management – typically the Chief Human Capital Officer (CHCO) – that promotes alignment of human capital management strategies with agency mission, goals, and objectives by means of effective analysis, planning, investment, measurement and management of human capital management programs.

Standard

Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plan and performance budget.

Applicable Merit System Principles

The following merit system principle is especially relevant to the Strategic Alignment system:

- The Federal work force should be used efficiently and effectively. (5 U.S.C. 2301(b)(5))

Metrics

Activities and outcomes of this system are assessed through documented evidence of a current agency human capital plan that includes human capital goals, objectives and strategies; a workforce plan; and performance measures and milestones.¹

Agencies are required under 5 CFR 250.203 to maintain a current human capital plan described by this system.

¹ In contrast to the more quantitative metrics required for the HCAAF's implementation and results evaluation systems, which follow, the metrics for this planning and goal setting system address the presence and adequacy of the agency's human capital plan.

**THE LEADERSHIP AND
KNOWLEDGE
MANAGEMENT
SYSTEM**

Leadership and Knowledge Management is the HCAAF implementation system focused on identifying and addressing agency leadership competencies so that continuity of leadership is ensured, knowledge is shared across the organization, and an environment of continuous learning is present.

Definition

A system that ensures continuity of leadership by identifying and addressing potential gaps in effective leadership and implements and maintains programs that capture organizational knowledge and promote learning.

Standard

Agency leaders and managers effectively manage people, ensure continuity of leadership, sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge Management must be supported by an appropriate investment in training and technology.

***Applicable Merit
System Principles***

The following merit system principle is especially relevant to the Leadership and Knowledge Management system:

- Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance. (5 U.S.C. 2301(b)(7))

Required Outcome Metrics

Agencies are required to use the following outcome metrics for the Leadership and Knowledge Management system.

Required Metric	Description	Purpose
<p>Organization Results Metric: Competency Gaps Closed for Management and Leadership</p>	<p>Difference between competencies needed and competencies possessed by managers and leaders</p>	<p>To determine how the agency should target its recruitment, retention and development efforts to bring the competencies of its managers and leaders into alignment with the agency's current and future needs</p>
<p>Employee Perspective Metric: Leadership & Knowledge Management Index</p>	<p>A score based on items from the governmentwide Annual Employee Survey</p>	<p>To determine the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership performance</p>
<p>Merit System Metric: Merit-Based Execution of the Leadership and Knowledge Management system</p>	<p>An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Leadership and Knowledge Management system</p>	<p>To determine that decisions, policies, processes, and practices executed under the Leadership and Knowledge Management system comply with the merit system principles and related laws, rules, and regulations</p>

THE RESULTS-ORIENTED PERFORMANCE CULTURE SYSTEM

Results-Oriented Performance Culture is the HCAAF implementation system focused on having a diverse, results-oriented, high-performing workforce, as well as a performance management system that effectively plans, monitors, develops, rates, and rewards employee performance.

Definition

A system that promotes a diverse, high-performing workforce by implementing and maintaining effective performance management system and awards programs.

Standard

The agency has a diverse, results-oriented, high-performing workforce and a performance management system that effectively differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results.

Applicable Merit System Principles

The following merit system principles are especially relevant to the Results-Oriented Performance Culture system (5 U.S.C. 2301):

- All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights. (5 U.S.C. 2301(b)(2))
- Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance. (5 U.S.C. 2301(b)(3))
- Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards. (5 U.S.C. 2301(b)(6))

Required Outcome Metrics

Agencies are required to use the following outcome metrics for the Results-Oriented Performance Culture system.

Required Metric	Description	Purpose
Organization Metric: SES Performance/Organizational Performance Relationship	Relationship between SES performance ratings and accomplishment of the agency's strategic goals	To determine the extent to which SES appraisals and awards are appropriately based on achievement of organizational results
Organization Metric: Workforce Performance Appraisals Aligned to Mission, Goals and Outcomes	Degree of linkage between all employees' performance appraisal plans and agency mission, goals, and outcomes	To determine whether all employees have performance appraisal plans that effectively link to the agency's mission, goals, and outcomes
Employee Perspective Metric: Results-Oriented Performance Culture Index	A score based on items from the government wide Annual Employee Survey	To determine the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes
Merit System Metric: Merit-Based Execution of the Results-Oriented Performance Culture system	An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Results-Oriented Performance Culture system	To determine that decisions, policies, processes, and practices executed under the Results-Oriented Performance Culture system comply with the merit system principles and related laws, rules, and regulations

THE TALENT MANAGEMENT SYSTEM

Talent Management is the HCAAF implementation system focused on agencies having quality people with the appropriate competencies in mission-critical activities.

Definition

A system that addresses competency gaps, particularly in mission-critical occupations, by implementing and maintaining programs to attract, acquire, promote, and retain quality talent.

Standard

The agency has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.

Applicable Merit System Principles

The following merit system principles are especially relevant to the Talent Management system (5 U.S.C. 2301):

- Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge and skills, after fair and open competition which assures that all receive equal opportunity. (5 U.S.C. 2301(b)(1))
- All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights. (5 U.S.C. 2301 (b)(2))

Required Outcome Metrics

Agencies are required to use the following outcome metrics for the Talent Management system.

Required Metric	Description	Purpose
<p>Organization Metric: Competency Gaps Closed for Mission Critical Occupations</p>	<p>Difference between competencies needed and competencies possessed by employees in mission critical occupations</p>	<p>To determine how the agency should target its recruitment, retention, and development efforts to bring the competencies of its workforce into alignment with the agency's current and future needs</p>
<p>Employee Perspective Metric: Talent Management Index</p>	<p>A score based on Items from the government wide Annual Employee Survey</p>	<p>To determine the extent to which employees think the organization has talent necessary to achieve organizational goals</p>
<p>Employee Perspective Metric: Job Satisfaction Index</p>	<p>A score based on Items from the government wide Annual Employee Survey</p>	<p>To determine the extent to which employees are satisfied with their jobs and various aspects thereof</p>
<p>Merit System Metric: Merit-Based Execution of the Talent Management system</p>	<p>An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Talent Management system</p>	<p>To determine that decisions, policies, processes, and practices executed under the Talent Management system comply with the merit system principles and related laws, rules, and regulations</p>

THE ACCOUNTABILITY SYSTEM

Accountability is the HCAAF system for evaluating results and provides consistent means to monitor and analyze agency performance on all aspects of human capital management policies, programs and activities, which must themselves support mission accomplishment. They must also be effective and efficient and in compliance with merit system principles. OPM's requirement that agencies establish Accountability systems is authorized under E.O. 13197, Governmentwide Accountability for Merit System Principles; Workforce Information, as codified in Civil Service Rule X. These systems and their resulting agency human capital accountability reports are central to OPM's ongoing compliance and oversight program required by 5 U.S.C. 1103–1104.

Definition

A system that contributes to agency performance by monitoring and evaluating the results of its human capital management policies, programs and activities, by analyzing compliance with merit system principles and by identifying and monitoring necessary improvements.

Standard

Agency human capital management decisions are guided by a data-driven, results-oriented planning and accountability system.

Results of the agency accountability system must inform the development of the human capital goals and objectives, in conjunction with the agency's strategic planning and performance budgets.

Effective application of the Accountability system contributes to agencies' practice of effective human capital management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.

Applicable Merit System Principles

The following merit system principle is especially relevant to the Accountability system:

- All merit system principles are relevant to the Accountability system, (5 U.S.C. 2301 (b)).

Metrics

This system is assessed based on documented evidence of a Human Capital Accountability system that provides for annual assessment of agency human capital management progress and results including compliance with relevant laws, rules, and regulations. The system will be formal, documented, and approved by OPM; will be supported and resourced by agency leadership; will measure and assess all human capital management systems for mission alignment, effectiveness, efficiency, and compliance with merit system principles, law, and regulation; will include an independent audit process with periodic review of human resources transactions to insure legal and regulatory compliance; will ensure that action is taken to improve human capital programs and processes and correct deficiencies; and will ensure results are analyzed and reported to agency management and OPM. Required outcome metrics for the HCAAF implementation systems inform and support the Accountability system.

Agencies are required under 5 CFR 250.203 to submit the agency human capital accountability report associated with this system to OPM for review and approval on an annual basis. This human capital accountability report supports the systems of oversight prescribed by 5 CFR 250.102.

Appendix: Calculations

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Introduction

Strategic human capital management requires a reliable and valid set of metrics that provide an accurate baseline against which individual agency progress can be assessed. Using a common measurement approach allows results to be merged to generate a Governmentwide perspective on the state of human capital management. A common measurement approach also allows for comparison across agencies, which will help agencies identify the most effective human capital practices, thus introducing efficiencies throughout the Federal system. To promote these outcomes and fulfill its legal responsibility, OPM chose a set of required human capital metrics designed to work in conjunction with the HCAAF.

This Appendix includes the following information for the required outcome metrics:

- Criteria
- Metrics Calculations
- Index Calculation (based on the Annual Employee Survey)

Criteria

OPM developed a set of criteria by which to judge the value of any human capital metric. Hundreds of metrics from many sources were then assessed using these criteria. Only those metrics that met every criterion are required by this guidance. To be included in the model, a metric must:

- Align with HCAAF;
- Drive organizational effectiveness directly or indirectly;
- Be applicable Governmentwide;
- Be actionable (under the control of the agency);
- Be practical (cost effective and acceptable);
- Be reliable (stable); and
- Be valid (accurate and appropriate for its purpose).

The metrics assessment process led to the identification of 11 metrics listed below that met these criteria. Each metric is directly associated with one of the three systems that implement the key human capital outcomes. The metrics and calculation methods described in this guidance were carefully chosen to maintain their usefulness over time; however, OPM remains open to reconsidering these metrics if warranted by advances in theory, application, or changes to available data. Many additional human capital metrics exist that agencies may find useful. OPM encourages agencies to augment these Governmentwide metrics with other activity and outcome metrics that are relevant to the agencies' particular human capital programs and organizational objectives.

***Metrics
Calculations***

Metrics calculations are described on subsequent pages for the following three systems:

- Leadership and Knowledge Management system
- Results-Oriented Performance Culture system
- Talent Management system.

LEADERSHIP AND KNOWLEDGE MANAGEMENT SYSTEM

<p>HC Outcome (Organization Results) Metric:</p>	<p>Competency Gaps Closed for Management and Leadership</p>
<p>Metric Description:</p>	<p>Difference between competencies needed and competencies possessed by managers and leaders in each agency population/subgroup (e.g., by bureaus or departments, headquarters or field, civilian vs. military).</p>
<p>Purpose:</p>	<p>To determine how the agency should target its recruitment, retention and development efforts to bring the competencies of its managers and leaders into alignment with the agency's current and future needs</p>
<p>Calculation:</p>	<p>Calculate Leadership Demand Step 1: Determine current and future agency leadership competency requirements. Define the critical leadership competencies and competency proficiency levels needed for each leadership level (e.g., supervisor, manager and executive). This data comes from the workforce analyses. Step 2: Identify the number of leadership positions/roles required at each leadership level. This data comes from your workforce analyses.</p> <p>Calculate Leadership Supply Step 3: Determine the number of individuals currently in the leadership pipeline. Step 4: For each leadership level, assess competencies of individuals currently in position and in the leadership pipeline.</p> <p>Calculate Leadership Gaps (Difference between Supply and Demand) Step 5: Determine the number of critical leadership position gaps by leadership level that are expected to be open by subtracting the number of leaders on board and/or in the pipeline (Step 3) from the number required (Step 2). Step 6: Assess competency gaps for individuals currently on board and/or in the leadership pipeline by subtracting their actual proficiency level for each critical competency from the required proficiency level for that competency for each leadership level.</p> <ol style="list-style-type: none"> a. For each individual on board and/or in the leadership pipeline, subtract their proficiency level from the level needed for each critical competency. b. For each competency for each leadership level, total the gaps identified for all individuals in step 6a. This is the total gap for a critical competency per leadership level. c. For each competency, divide the total gap identified in step 6b by the number of individuals on board and/or in the leadership pipeline per leadership level. This is the average competency gap for the critical competency per leadership level.

	<p>Step 7: To calculate total gap for each critical leadership competency: For each competency, add values from Step 6 (b) for all leadership levels. This is the total gap for each leadership competency.</p>
<p>HC Outcome (Employee Perspective) Metric:</p>	Leadership and Knowledge Management Index
<p>Metric Description:</p>	A score based on items from the governmentwide Annual Employee Survey
<p>Purpose:</p>	To determine the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership
<p>Calculation:</p>	See Index Calculation on page A-10.

HC Outcome (Merit System) Metric:	Merit-Based Execution of the Leadership and Knowledge Management system
Metric Description:	An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Leadership and Knowledge Management System
Purpose:	To determine that decisions, policies, processes, and practices executed under the Leadership and Knowledge Management System comply with the Merit System Principles and related laws, rule, and regulations
Calculation:	% of training and employee development actions demonstrating severe* transactional or programmatic problems or errors (based on a statistically valid sample of training and employee development actions within a one-year period)

* Severe problems and errors are those that result in an improper or illegal personnel action (e.g., PPP violations, illegal appointment) or systemic practices or program deficiencies that significantly undermine or invalidate a HC program or process.

Results-Oriented Performance Culture System

HC Outcome (Organization) Metric:	SES Performance/Organizational Performance Relationship
Metric Description:	Relationship of SES performance ratings and awards to accomplishment of the agency's strategic goals
Purpose:	To determine the extent to which SES appraisals are appropriately based on achievement of organizational results
Calculation:	<ol style="list-style-type: none"> 1. Demonstrate that all SES performance plans effectively link to agency mission, goals and outcomes, as documented in OPM's SES Certification Process. 2. Calculate total compensation, including monetary awards (e.g., bonuses), for each senior executive. 3. Compute the correlation between individual senior executives' performance appraisal ratings and their total compensation.
HC Outcome (Organization) Metric:	Workforce Performance Appraisals Aligned to Mission, Goals, and Outcomes
Metric Description:	Degree of linkage between all employees' performance appraisal plans and agency mission, goals, and outcomes
Purpose:	To determine whether all employees have performance appraisal plans that effectively link to agency mission, goals, and outcomes
Calculation:	<p>Calculate the weighted average Performance Assessment Accountability Tool (PAAT) score for the agency.</p> <p>Step 1: Multiply the Performance Assessment Accountability Tool (PAAT) score for each performance appraisal system in the agency by the number of employees covered by that system.</p> <p>Step 2: Total the number of employees covered by all performance appraisal systems in the agency.</p> <p>Step 3: Add all values from Step 1 and divide by the total in Step 2.</p>

HC Outcome (Employee) Metric:	Results-Oriented Performance Culture Index
Metric Description:	A score based on items from governmentwide Annual Employee Survey
Purpose:	To determine the extent to which employees believe their organizational culture promotes an improvement in processes, products and services, and organizational outcomes
Calculation:	See Index Calculation on page A-10
HC Outcome (Merit System) Metric:	Merit-Based Execution of the Results-Oriented Performance Culture System
Description:	An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Results-Oriented Performance Culture System
Purpose:	To determine that decisions, policies, processes, and practices executed under the Results-Oriented Performance Culture standard comply with the merit system principles and related laws, rules, and regulations
Calculation:	% of performance and awards actions demonstrating severe* transactional or programmatic problems or errors (based on a statistically valid sample of performance and awards actions within a one-year period.)

* Severe problems and errors are those that result in an improper or illegal personnel action (e.g., PPP violations, illegal appointment) or systemic practices or program deficiencies that significantly undermine or invalidate a HC program or process.

Talent Management System

HC Outcome (Organization) Metric:	Competency Gaps Closed for Mission Critical Occupations (MCOs)
Description:	Difference between competencies needed and competencies possessed by employees in Mission Critical Occupations
Purpose:	To determine how the agency should target its recruitment, retention, and development efforts to bring the competencies of its workforce into alignment with the agency's current and future needs
Calculation:	<p>Calculate MCO Demand</p> <p>Step 1: Identify MCOs.</p> <p>Step 2: Determine current and future strategic MCO competency requirements. Define the targeted (i.e., strategic) MCO competencies and competency proficiency levels needed for each MCO.</p> <p>Step 3: Identify the number of total positions required in each MCO based on workforce planning analysis.</p> <p>Calculate MCO Supply</p> <p>Step 4: For each MCO, assess competency proficiency levels of employees currently in the positions.</p> <p>Step 5: Count the number of employees on board (i.e., "current fill") for each MCO.</p> <p>Calculate MCO Gaps (Difference between Supply and Demand)</p> <p>Step 6: Assess competency gaps for employees currently on board in each MCO by subtracting their actual proficiency level for each targeted competency from the required proficiency level for that competency.</p> <ol style="list-style-type: none"> a. For each individual on board, subtract their proficiency level from the level needed for each targeted competency. b. For each targeted competency, total the gaps identified for all individuals by MCO in Step 6a. This is the total competency gap for the targeted competency for the MCO. c. For each targeted competency, divide the total gap identified in Step 6b by the number of individuals on board for that MCO. This is the average competency gap for the targeted competency for the MCO. <p>Step 7: Determine the number of MCO position gaps that are expected to be open by subtracting the employees on board in each MCO (Step 5) from the number of total positions required in the MCOs (Step 3).</p> <p>Step 8: To calculate the total gap for each targeted competency:</p> <ol style="list-style-type: none"> a. For all MCOs that require a targeted competency, add Step 6 (b) together to get the total gap for the targeted competency. Provide this total gap across all MCOs for each targeted competency. This number will identify <i>the relative gap for each competency</i>

	<i>weighted by all MCO positions requiring that competency.</i>
HC Outcome (Employee) Metric:	Talent Management Index
Description:	A score based on items from the governmentwide Annual Employee Survey
Purpose:	To determine the extent to which employees think the organization has talent necessary to achieve organizational goals
Calculation:	See Index Calculation on page A-10

HC Outcome (Employee) Metric:	Job Satisfaction Index
Description:	A score based on items from the governmentwide Annual Employee Survey
Purpose:	To determine the degree to which employees are satisfied with their jobs and various aspects thereof
Calculation:	See Index Calculation on page A-10

HC Outcome (Merit System) Metric:	Merit-Based Execution of the Talent Management system
Description:	An assessment, conducted by OPM or by agencies with OPM oversight, of compliance with merit system principles and related laws, rules, and regulations governing the Talent Management System
Purpose:	To determine that decisions, policies, processes, and practices executed under the Talent Management standard comply with the merit system principles and related laws, rules, and regulations
Calculation:	% of staffing and compensation actions demonstrating severe* transactional or programmatic problems or errors (based on a statistically valid sample of staffing and compensation actions within a one-year period.)

* Severe problems and errors are those that result in an improper or illegal personnel action (e.g., PPP violations, illegal appointment) or systemic practices or program deficiencies that significantly undermine or invalidate a HC program or process.

Index Calculation

Each index is calculated from responses to questions found in the Annual Employee Survey (see attached index question lists). Each index contains questions required by OPM as part of its regulatory responsibility for the Annual Employee Survey required by Public Law 108-136. These questions will be published in a separate Federal Register Notice. The questions will be associated with one of four response scales. (See Table 1.) For each response scale, two responses are categorized as "Favorable," one response is categorized as "Neutral," and two responses are categorized as "Unfavorable." For the purpose of calculating indices, "Do Not Know" responses are not considered valid. Missing responses are also not considered valid.

An index value equals the percentage of valid responses that are favorable, summed over respondents and index items.

Example: Agency X has 178 survey respondents. To calculate the Satisfaction With Leadership Index score at Agency X, sum the number of favorable responses to items indicated on the Satisfaction With Leadership Index over the 178 respondents. Divide that number by the total number of valid responses to the Satisfaction With Leadership Index items received from the 178 respondents. Multiply the result by 100.

Table 1: Response Scales for Index Items from Annual Employee Survey

Answer Scale					
Favorable Responses		Neutral Response	Unfavorable Responses		"Invalid" Response
Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Do Not Know
Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	
Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied	
Very Good	Good	Fair	Poor	Very Poor	

HCAAF-SSM SURVEY INDICES

Questions from the Federal Human Capital Survey

Leadership and Knowledge Management Index

I have trust and confidence in my supervisor.

Overall, how good a job do you feel is being done by your immediate supervisor/team leader?

In my organization, leaders generate high levels of motivation and commitment in the workforce.

Managers/supervisors/team leaders work well with employees of different backgrounds.

I have a high level of respect for my organization's senior leaders.

Managers review and evaluate the organization's progress toward meeting its goals and objectives.

Managers communicate the goals and priorities of the organization.

My workload is reasonable.

My organization has prepared employees for potential security threats.

How satisfied are you with the information you receive from management on what's going on in your organization?

How satisfied are you with the policies and practices of your senior leaders?

Employees are protected from health and safety hazards on the job.

Results-Oriented Performance Culture Index

The people I work with cooperate to get the job done.

I know how my work relates to the agency's goals and priorities.

Physical conditions (for example, noise level, temperature, lighting, cleanliness in the workplace) allow employees to perform their jobs well.

Promotions in my work unit are based on merit.

In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.

Creativity and innovation are rewarded.

In my work unit, differences in performance are recognized in a meaningful way.

My performance appraisal is a fair reflection of my performance.

Discussions with my supervisor/team leader about my performance are worthwhile.

My supervisor supports my need to balance work and family issues.

Employees have a feeling of personal empowerment with respect to work processes.

Pay raises depend on how well employees perform their jobs.

How satisfied are you with the recognition you receive for doing a good job?

Talent Management Index

I am given a real opportunity to improve my skills in my organization.
The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.

My work unit is able to recruit people with the right skills.

Supervisors/team leaders in my work unit support employee development.

My talents are used well in the workplace.

My training needs are assessed.

How satisfied are you with the training you receive for your present job?

Job Satisfaction Index

My work gives me a feeling of personal accomplishment.

I like the kind of work I do.

The work I do is important.

How satisfied are you with your involvement in decisions that affect your work?

How satisfied are you with your opportunity to get a better job in your organization?

Considering everything, how satisfied are you with your job?

Considering everything, how satisfied are you with your pay?